

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**TOLEDO MACK SALES &
SERVICE, INC.,**

Plaintiff,

V.

MACK TRUCKS, INC.,

Plaintiff,

V.

**TOLEDO MACK SALES &
SERVICE, INC.**

Defendant.

Civil Action No. 2:02-CV-04373-RLB

JURY TRIAL DEMANDED

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SUPPLEMENTAL MEMORANDUM OF LAW IN OPPOSITION TO COUNTERCLAIM
DEFENDANT TOLEDO MACK SALES & SERVICE, INC.'S MOTION TO DISMISS

On September 17, 2002, Plaintiff Toledo Mack Sales & Service (“Toledo Mack”) filed its Motion to Dismiss Counts I, II, III, and VI of Defendant Mack Trucks, Inc.’s counterclaims pursuant to Fed.R.Civ.P. 12(b)(6), and on October 8, 2002, Plaintiff Mack Trucks, Inc. (“Mack”) filed its Memorandum of Law in Opposition to Counterclaim Defendants’ Motion to Dismiss (hereinafter “Opp.”). Because Mack has today filed its First Amended Counterclaims (Exh. A) pursuant to Fed.R.Civ.P. 15(a) to address new facts learned in discovery, Mack has used this same opportunity to address issues raised in Toledo Mack’s Motion to Dismiss, which should be denied for the additional reasons set forth herein.

Background

The full background of the issues presented in Mack's original Counterclaims against Toledo Mack is set forth at Opp. pp. 1-9. As a result of discovery subsequently

exchanged between the parties, Mack learned that Toledo Mack, in addition to providing Mack's confidential parts database to Mack's competitor, PAI Industries, Inc. ("PAI"), has engaged in at least three illegal acts that have harmed Mack, described more fully in the First Amended Counterclaims at paragraphs 35-41. In brief:

(1) Toledo Mack provided a copy of MACSPEC 2001 to Northwest Trucks, Inc., an entity that sells truck parts in competition with Mack;

(2) Toledo Mack provided portions of Mack's confidential and proprietary microfiche database to Mack's competitors; and

(3) Toledo Mack provided Mack's confidential and secret parts price lists to Mack's competitors.

Those actions constitute misappropriation of trade secrets and confidential business information, as reflected in the newly added paragraphs 44, 46, 48-49, and 58 of Count I of the First Amended Counterclaims, and copyright infringement as reflected in newly added paragraphs 62, 65 and 70 of Count II.

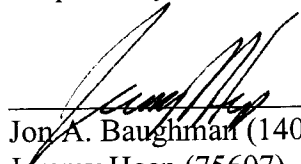
Additionally, because Mack settled its counterclaims against PAI, the First Amended Counterclaims no longer include PAI in the caption. Also, the original Counts IV and V, which pertained only to PAI, have been deleted.

Argument

Because Mack is filing its First Amended Counterclaims today, it is using this opportunity to address a central argument raised in Toledo Mack's Motion to Dismiss. In particular, Toledo Mack argued that Mack failed to adequately plead its misappropriation of trade secrets count because it had insufficiently alleged a relationship of trust and confidence

between Toledo Mack and Mack. Mem. at 10-11. While Mack vigorously contests this point at Opp. pp.13-15 because, *inter alia*, Mack did plead a violation of “the confidence which Mack reposed in [Toledo Mack]”, Counterclaims at ¶ 41, Mack’s First Amended Counterclaims add paragraphs 8, 51 and 53 to further clarify this point. Mack respectfully suggests that Toledo Mack’s Motion to Dismiss should be denied for this additional reason.¹

Respectfully submitted,



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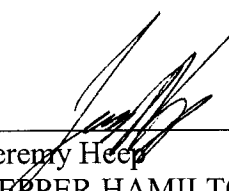
Dated: March 24, 2003

¹ Other than the changes described in this present Memorandum of Law, no changes have been made to Mack’s Counterclaims.

CERTIFICATE OF SERVICE

I, Jeremy Heep, hereby certify that I have served a copy of Supplemental Memorandum of Law in Opposition to Counterclaim Defendant Toledo Mack Sales & Service, Inc.'s Motion to Dismiss upon the following counsel by hand delivery:

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Dated: March 24, 2003